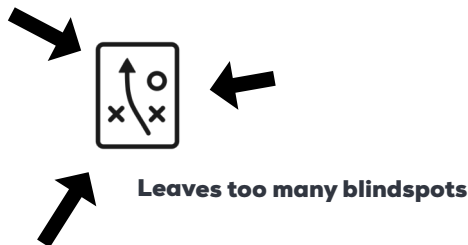


HOW TO TEST IF YOUR
STRATEGY
IS SOUND

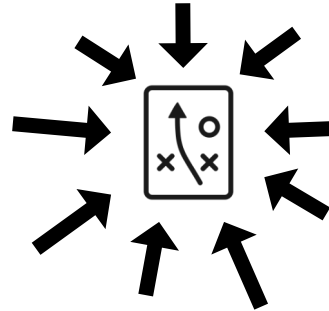
TWO APPROACHES

HOW TO TEST IF YOUR STRATEGIC PLAN IS SOUND

Feedback from a few experts



Feedback from a 360-degree checklist



Most strategies are 80% perfect

Tell me if you've done this before: You have spent six months forming your organisation's strategy, only to find out three years later that your strategy was 20% flawed. It was 80% perfect, but it was the 20% that killed you. What makes this keep happening?

Most strategies never get systemic feedback before launching

Let's face it: You're busy and the people in charge of giving you feedback are busy. So, typically we test if our strategy is sound by:

1. Doing the gut test: Does it make sense to us?
2. Sharing it with other experts: Does it make sense to them?
3. Rolling it out!

But this approach makes the whole endeavour dependent on (1) having enough diverse experts with (2) enough time and (3) enough mental space to expose all of your blindspots before launching. That means years of time and money are riding on the assumption that these three things will be true consistently. That's a big assumption.

A strategy checklist gives 360-degree feedback before launching

So, is there a more reliable way to test if our strategy is sound *before* launching? In an ideal world, it would be a tool that:

1. Anybody can use, not just experts.
2. Exposes our blindspots, not just the more obvious 80%
3. Is based on research, not just our gut

Welcome to a new tool: a strategy checklist. A strategy checklist can do what expert feedback does: make sure that our plan is not violating any laws of how the world really works. Why a checklist? Because anybody can use a checklist! Nobel laureate Herbert Simon said, "The large part of the difference between an experienced decision maker and the novice [is]...that he had checklists of things to think about before he acted." Welcome to your 360-degree checklist.

A strategy checklist can integrate more research than a few experts

The best part of this strategy checklist is that it is based on research. Research can synthesise the insights of 100s of experts, not just the few in your office. All this research has been neatly summarised in 15 strategy questions that anybody can use to spot problems before they become problems.

A STRATEGY CHECKLIST

DO YOU KNOW THE BLINDSPOTS OF YOUR STRATEGIC PLAN?

Instructions: If you answer negatively to any of the following questions, you have a problem. It may not show up right away, but it will show up because you are working against human nature and how the world really works. To find a solution, research further into the relevant mental models on the final page. "The world will do most of the work for you, provided you cooperate with it by identifying how it really works and aligning with those realities" (Joseph Tussman).



How People Work

- 1: Dignity:** Are you treating people like machines?
- 2: Desires:** Are you factoring in human nature (e.g. greed, ego, ease, power)?
- 3: Truth:** Is there built-in, honest, immediate feedback?
- 4: Choice:** Do people have hope for change?

How to Change the World



- 5: Incentives:** Do you know the incentive structure?
- 6: Models:** Are the leaders modelling (vs. talking about) the behaviour that you want to replicate?
- 7. Story:** Do you know the narrative people are telling themselves?
- 8. Service:** Is your purpose bigger than your survival?
- 9. Strengths:** Are you working with people's strengths?
- 10. Focus:** Are you trying to do too much?



How the World Works

- 11. Disorder:** Does it require lots of energy to maintain?
- 12. Uncertainty:** Have you assessed the probability of success for several possible scenarios?
- 13. Family:** Are you pulling families apart?
- 14. Scaling:** Can it scale?
- 15. Infinity:** Are you looking at the big picture?

THE RESEARCH

150 MENTAL MODELS SUMMARISED IN 15 PRINCIPLES



Dignity: See people as people, not machines

Related mental models: Autonomy, Rest, Curiosity Instinct, Flow, Progress Principle, Stress Effect, Two Masters Problem, Hierarchical Instinct, Certainty-Uncertainty Paradox



Desires: Why do we do what we do? Power, pleasure, and praise

Related mental models: Maslow's hierarchy, Reaction from Deprivation, Desires Eat Discipline, Hedonic Adaption, Short vs. Long-termism, Fundamental Insecurity, Signalling, The Shadow, Identity through Association, Jonah Complex, Bloodless Battle.



Truth: We either conform our desires to the truth, or truth to our desires

Related mental models: Identity-Protective Cognition, Disconfirmation Bias, Garbage In Garbage Out, Survivorship Bias, Boiling Frog, Framing, Psychology of Persuasion, First Principles, Bayesian Updating, Five-Fold Why, Feedback Loops, Ooching, Seeing the Front, Gray Thinking, Frames of Reference, The Third Story, Truth Paradox



Choice: We are always choosing who we want to become

Related mental models: Choice Paradox, Self-Imposed Rules, Delayed Living, Circle of Control, Tradeoffs, Reversible vs. Irreversible Decisions, Optimism Advantage, Velocity, Past Positive Effect, This is Water, Price of Wisdom, Goal or Process, Have or Be



Incentives: You get what you reward for

Related mental models: Pavlovian Association, Environment Eat Willpower, Explained by Money, Explained by Marketing, Explained by Marketing, Explained by Status



Models: You become what you behold

Related mental models: Socialization, Example or Warning, Filter Bubble, Pygmalion Effect, Modelling, Contagious Emotions, Conform to Identity



Story: You need stories to package life's complexity

Related mental models: Complexity Problem, Narrative Instinct, Event Plus Story, Socialization by Stories



Service: Our purpose is to serve

Related mental models: Meaning through Sacrifice, Recognizing Greatness, Zero-Sum vs. Abundance, Isolated vs. Iterative Games, Most Respectful Interpretation (MRI), Radical Candor, BATNA, Veil of Ignorance



Strengths: Everyone has a superpower

Related mental models: Circle of competence, Introverts vs. Extroverts, Niches Need Ecosystems, Alloying, Peter Principle



Focus: Greater focus equals greater impact

Related mental models: Sturgeon's Law, Artificial Complexity, Two-Front War, Hick's Law, Dunbar's Number, BHAG, Pareto Principle, Via Negativa, Flypaper Theory, Deep Work, Parkinson's Law, Occam's Razor, Lindy Effect



Disorder: Everything tends towards disorder, unless it is actively resisted

Related mental models: Devolution by Assault, Devolution by Weakest Link, Devolution by Wrong Goal, Devolution by Complacency, Red Queen Effect, Principle of Least Effort, Law of Diminishing Utility



Uncertainty: The future is never certain, only probable

Related mental models: Map is Not the Territory, Just-World Fallacy, Second-Order Effects, Butterfly Effect, Emergent Behavior, Murphy's Law, Black Swan Events, Probabilistic Thinking, Stochastic Processes, Antifragile, Optionality, Luck Surface Area, Margin of Safety, Redundancy, MVP



Family: Families are the building block of flourishing societies

Related mental models: Genetic Semi-Determinism, Identity Formation, Secret of Happiness, Trust Advantage



Scaling: To scale, change something

Related mental models: Inertia and Momentum, Survival of the Adaptable, Purple Cow, Containment, Action Bias, First Mover Advantage / Disadvantage, Adjacent Possible, Compounding, Scales of Economy, Flywheels, Potential Energy, Skin in the Game, Mind-Body Connection, Deliberate Practice, Network Effects, Geography Effect, Activation Energy, Catalyst, Leverage, Critical Mass



Infinity: We are a pale blue dot in history, not the center

Related mental models: Copernican Inversion, Birth Lottery, Transcendent Union, Gate's Law, Will to Meaning, Nature Effect, Grace

REFLECTION QUESTIONS

BECAUSE IT'S NOT WHAT YOU READ, IT'S WHAT YOU INTEGRATE

Past: Have you ever used a strategic checklist before?

Present: What is the current method your organization uses to check if your strategy is sound before launching?

Future: How will you use this in the future?

Bonus: Which question of the 15-point checklist was most surprising to you?
